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SUBJECT: PRT TEAM LEADER'S CONFERENCE - MOVING FORWARD

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¶1. (SBU) Begin Summary: The message of the July 6-7 Team Leader's Conference was clear: Provincial Reconstruction Teams (PRTs) must lay the groundwork for Iraqis to assume greater responsibility, which will occur sooner rather than later. State-DoD cooperation will be essential as DoD turns its attention from combat operations to civilian-led capacity building. Ambassador Crocker challenged team leaders to be actively involved with their Iraqi counterparts, and remain sensitive to the present reality that Iraqis want to govern their own country. How quickly we thin out will depend on candid PRT assessments of progress. General Petraeus echoed Ambassador Crocker's sentiments and provided his overall assessment of the security situation and what that means for the future of PRTs. In his view, now that the security situation has improved, the Coalition is increasingly able to shift its focus from combat operations to capacity building. Other presenters, representing 23 different offices and agencies, built on the themes expressed by Ambassador Crocker and General Petraeus, telling team leaders their plans for the future.

¶2. (SBU) All 31 teams were represented, including the teams led by the Italians and the Koreans. End summary.

AMBASSADOR CROCKER: PROVINCIAL ELECTIONS, U.S.-IRAQI RELATIONS, AND MOVING FORWARD

¶3. (SBU) "Governance is working," remarked Ambassador Crocker as he opened the conference. "We know it because it's being targeted," he continued, referring to recent attacks on government institutions and the judiciary. He was optimistic that we would continue to make advances in many areas, but encouraged participants not to overstate those advances when reporting. "Tell it straight," he said, "put up flags. Progress in Iraq is not linear; one step forward is often accompanied by two steps back." In other words, "don't put lipstick on a pig." The Ambassador then relayed to participants the three big issues on his mind: provincial elections, the nature of U.S.-Iraqi relations in the future, and how to work ourselves out of a job.

¶4. (SBU) Provincial Elections: Ambassador Crocker was circumspect when talking about whether provincial elections would occur, opting not to predict. Instead, he offered an assessment of the elections process. The Ambassador said there was likely to be an open-list system, which allows voters to choose individual candidates rather than a party that would likely create certain challenges. The major concerns will be security and process. Iraq struggles with a largely uneducated electorate with little experience in how an open-list system works, and there will be security challenges associated with candidates campaigning individually.

¶5. (SBU) U.S.-Iraqi Relations: Ambassador Crocker spoke about U.S.-Iraqi relations in the context of our challenges ahead. One of these will be negotiating the terms of our future military presence in Iraq. Emphasizing that "we must get it right," he noted that we

are now negotiating a SOFA agreement that will define every aspect of our presence in Iraq when the current UN mandate expires (Chapter 7 will expire at the end of this year). The challenge ahead will be working with the Government of Iraq to put together a framework that addresses both Iraqi and U.S. interests.

¶6. (SBU) Moving Forward: In the Chief of Mission's view, momentum is building among Iraqis who want to govern their country their own way. As this situation evolves, team leaders must ensure that Iraqis are equipped with the tools necessary to succeed in their efforts. Ambassador Crocker cited a few examples of what we need to do before turning control over to the Iraqis -- QRF projects should focus on building capacity, PRTs should evaluate the present threats on the judiciary to determine whether there is a broader effort to undermine it, and we should engage the Sadrists to help us learn more about what they want and help them understand that the U.S. government is not anti-Shi'a. The Ambassador added that the extent to which we understand that Iraq is a sovereign state will help guide our actions. His parting comment urged team leaders to keep in mind whether and where our long-term interests would warrant a permanent presence as consulates, and where to phase out PRTs altogether.

GENERAL PETRAEUS: "THINNING-OUT, NOT HANDING-OVER"

¶7. (SBU) MNF-I (General Petraeus): General Petraeus told the PRT leaders that his guidance to the military is to "thin out, not hand over." The difference is significant, he noted. Thinning out implies we are still tracking what's going on and still have a presence, whereas handing over implies complete turnover, a

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situation for which the Iraqis may not be fully prepared. Advisors, transition teams, and PRTs were all part of thinning out, maintaining situational awareness and generating an impact that is disproportionate to their numbers. General Petraeus emphasized the favorable direction in which the situation is trending, noting that security incidents are at the lowest levels in over four years, Al Qaeda in Iraq (AQI) and militias have been substantially degraded, Iraqi Security Force (ISF) capability is increasing (Iraqi soldiers are dying at a rate more than three times that of U.S. forces), and the Government of Iraq is increasingly in control. He emphasized that these gains are occurring even as coalition forces are being reduced. The military has played an important role in stabilizing the security situation, he said. Violence has been reduced through various operations aimed at rooting out insurgents and AQI networks although he cautioned, pockets still remain. General Petraeus likened the activities of remaining AQI elements to a lethal and dangerous mafia-like organization, while it still has elements of an ideologically-inspired terrorist group.

¶8. (SBU) Although Petraeus explained the challenges facing Iraq, he also expressed guarded optimism about the future. With an economic foundation in place (record oil profits, infrastructure improvements, micro-loans and employment initiatives, and progress in the international banking), he noted, Iraqis will be well postured to take charge as security conditions in various areas allow. Nonetheless, General Petraeus expressed his concerns about what Iran will decide to do; how much and what kind of influence Iran will wield; whether AQI will reinvigorate its activities and regenerate its source of support (something he noted was unlikely unless the Sons of Iraq were disbanded); and catastrophic events in the oil and electricity sector that could set back progress and cause widespread discontent within the populous.

¶9. (SBU) Petraeus provided his candid view of the role of PRTs and the importance of Foreign Service Officers. He said we should encourage Congress to support maintenance of the PRT presence, arguing that contributions from PRTs in the field are vital. One of our biggest mistakes, Petraeus observed, was allowing the early incarnation of the PRTs (operating under a different name during CPA) to fall by the wayside once Iraqis transitioned from CPA to sovereignty. It was time lost, he asserted. Recognizing the valuable work of Foreign Service Officers, he noted that he has

advocated for the expansion of the Foreign Service in order to address the types of challenges we now face.

¶10. (SBU) The General closed on an upbeat note, commenting that we can succeed in Iraq. He noted that Sunni and Shi'a have lived in peace in the past, drawing distinct contrasts to the conflict in Bosnia, where many observers and participants had served. "Iraq is not the Balkans," he noted. "In the Balkans, thousands of years of hostility separated the two ethnic groups. Sunni and Shi'a, however, have lived together in peace before." Once the security situation improved, he predicted, "Iraqis will be in good shape to pave their own way."

CONFERENCE HIGHLIGHTS

¶11. (SBU) The following are the highlights of more than 23 separate briefings and discussion sessions:

-- OPA Director: The OPA director chaired a productive dialogue with the team leaders, telling them she would provide PRTs the tools they needed to accomplish their goals. OPA is working hard to get more subject matter experts on the PRTs and looking at ways to co-locate international organizations (e.g., the United Nations) with teams. The director challenged the group to build up the soft side of our efforts in preparation for the situation long after the military has gone. She also noted the need to look for ways to get satellites into Iraqi hands, and urged teams to concentrate on projects that were sustainable and irreversible. She echoed Ambassador Crocker's words, detailing the importance of laying out the end-state, noting that phasing-out should be conditions- (not calendar-) based. PRT observations, she noted, would form the basis of a report to Congress. In closing, she reminded the group that Iraq had resources and one task of PRTs was to help protect those resources from thieves, as well as to teach the Iraqis how to budget, apportion, and implement.

-- Security: The RSO Office continues to strongly support the PRTs and is increasing the number of RSO personnel at the four REOs. This innovation has resulted in a marked increase in the number of movements and time on the ground for RSO support movements. The RSO Office is working with MNC-I and MNF-I on the basic concepts of protection to enhance the safety and security of everyone. The final conclusions will be incorporated into a document that outlines these concepts for PRT/ePRT movements. The RSO Office offers a range of security classes and stressed that personal security awareness and the reporting of incidents is everyone's

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responsibility.

-- CIDNE: CIDNE is an unclassified platform to store and share information. This system will avoid duplication of effort in the field. MNC-I will implement CIDNE by August 20 of this year. CIDNE will provide year-to-year continuity by allowing users to access historical information on one consolidated platform. For example, if a military civil affairs officer visits a rice mill during their tour, that officer can enter their report into CIDNE so their successor can access it. Otherwise, we start anew each year as a result of rapid staff turnover.

-- Health and Human Services: Our public health advisor noted that Iraq has good public health professionals, but the core of public health needs to be rebuilt. To address that need, the health attache's office is focused on four objectives. The first is to improve human resources and provide expertise to the Ministry of Health. The Ministry of Health currently is trying to flush out corrupt elements, encourage health promotion, privatize the system, and build local capacity in order to move its agenda forward. We will assist in those efforts. The second focus is to rebuild the public health surveillance infrastructure. The third is population health, with the difficult challenge of educating a population about health that in some areas can be 60 percent illiterate. Also, Iraq needs hospitals, emergency services, and clean water. The fourth is governance, creating cooperative exchanges of technical and

scientific expertise. In the 1970s, Iraq was the paragon of public health systems in the Middle East. Getting it back to that level is the goal, though it will take time, the speaker acknowledged. The brain drain resulting from the Iran-Iraq war and two Gulf wars has been a persistent problem; 17,000 Iraqi health professionals fled during that period. Iraq needs those physicians to return to Iraq. Health is an easy win for all; it crosses all ethnic, religious, and sectorial boundaries.

-- Assistance and Returns of Internally Displaced Persons (IDPs): There's good news and bad news. The good is that Iraqi displaced persons have been returning home since September 2007. The bad is that one out of every six Iraqis is still displaced. Unfortunately, not a lot of them are returning home because they now may be a minority group in an area where their ethnic/religious group was once a majority. The return is made more difficult for some, who find that squatters now live in their homes. One of the two speakers predicted that we wouldn't see an organized return. People will return once they have reached a certain comfort level. That threshold is different for each person or family. In order to see a substantial influx, we will need a more stable security environment, progress in the way of political reconciliation, and to address the issue of squatters, lamented one of the speakers. And once IDPs return, they will need shelter and jobs.

-- USAID: The road ahead for USAID will be characterized by leaner programs, noted Iraq's USAID Mission Director. Due to the budget supplemental shortfall, some projects will run at a decreased level; some will be realigned programmatically or geographically; a few programs will be transferred to the Government of Iraq; and certain projects will merge in order to maximize impact of resources. The salient features of the next generation of projects will reinforce USAID's development of strong linkages between local and provincial officials and empower communities to better articulate their needs.

-- MNC-I (MajGen General LeFebvre): MNC-I Deputy Commanding General LeFebvre offered one certainty - that the way ahead will be less military action and greater DoD-State cooperation in capacity-building. In this regard, he echoed General Petraeus. MNC-I is working closely with the Office of Provincial Affairs on a strategy to re-define our terms of engagement and shift priorities. BG LeFavre is committed to completing this strategic objective within the next couple months. Whatever the outcome, he impressed upon team leaders that their relationship with the battlespace commander was essential.

-- Political: The political counselor spoke about the changing political climate in Iraq since the Charge of the Knights offensive in the south. He identified assumptions, opportunities, and challenges in the new political environment. He also reiterated the objectives for a successful mission in Iraq.

-- CETI (Coordinator for Economic Transition in Iraq): Ambassador Charles Ries spoke about economic progress in Iraq, including recent agreements by Gulf nations to forgive Iraqi national debt. He also covered new developments that affected the mission in Iraq in the U.S. supplemental appropriations bill for fiscal year 2008, including changes to funding levels for various programs. He discussed Iraqi Council of Representatives' legislation and what it would mean for potential foreign investors.

-- QRF (Quick Response Funds): Two officers managing QRF funds briefed on overall funding and spending figures for the program. They emphasized the availability of an additional \$250,000 in

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Democracy Funds. They also briefed the mechanics of the various spending mechanisms within the QRF portfolio, including micro-purchases, direct procurements, and grants. In addition, the speakers discussed grant implementation through the PRT or Development Alternatives Incorporated (DAI), a USAID implementer.

-- USDA (U.S. Department of Agriculture): Agriculture in Iraq is suffering from 30 years of neglect, disrepair and lack of organization. Sound market policies do not exist. Corruption, as in all facets of Iraqi life, is serious. USDA is working with the

Ministry of Agriculture to develop a strategic plan for agriculture and market-oriented trade policies. While the speaker mentioned there were a number of projects already in operation, he noted two major problems: land tenure for private farmers and local control of water resources. Resolving those issues would be a big step for Iraq's agriculture sector. USDA currently has 22 agricultural advisors serving at 14 locations in Iraq.

-- PRDC (Provincial Reconstruction and Development Committees): A program officer from ITAO provided an update on PRDC funds, which support projects that both Iraqi leaders and coalition forces establish as priorities for Iraqi reconstruction projects. The speaker said that progress in disbursement of funds had been slower than expected. He warned that funds for fiscal year 2007 could expire before being obligated. The speaker proposed that all funds allocated be consolidated and that pending projects be re-evaluated to facilitate obligation of funds.

-- Other topics covered in the conference were MECC synchronization, managing personalities on teams, OPA assessment plans, supplemental and budget execution, internal management issues, strategic effects, and public diplomacy.

CROCKER